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FISCAL IMPACT STATEMENT

LS 6871

BILL NUMBER: SB 249

NOTE PREPARED: Apr 15, 2009

BILL AMENDED: Apr 14, 2009

SUBJECT: Transportation and Tort Claim Matters.

FIRST AUTHOR: Sen. Wyss

FIRST SPONSOR: Rep. Austin

BILL STATUS: As Passed House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill:

- (1) makes various changes to motor vehicle law pertaining to commercial driver's licenses in order to conform to the Code of Federal Regulations;
- (2) authorizes the use of mini-trucks on highways under certain circumstances;
- (3) exempts certain intrastate private carriers of persons or property, or both, from the requirements of certain markings on the motor vehicle;
- (4) repeals and relocates language concerning regulation of certain motor carriers and private carriers of property;
- (5) provides that an application for a Commercial Driver's License (CDL) from a holder of a CDL from another state be conducted in accordance with federal regulations;
- (6) specifies that farm tractors or implements of agriculture are not considered motor vehicles for purposes of the special fuel tax on dyed fuel;
- (7) provides that a railroad company that stores a railroad car on a track, sidetrack, siding, switch, or turnout track within a municipality for more than 90 days be assessed a civil penalty of \$500 a day beginning with the ninety-first day of storage;
- (8) provides that a governmental entity or an employee of a governmental entity acting within the scope of the employee's employment is not liable if a loss results from the operation of an off-road vehicle by a: (A) nongovernmental employee; or (B) governmental employee not acting within the scope of the employee's employment; on a public highway in a county road system outside the corporate limits of a town, unless the loss is the result of an act or omission amounting to gross negligence, willful or wanton misconduct, or intentional misconduct;
- (9) requires that an application to register a vehicle must include the numerical code assigned by the Department of Local Government Finance (DLGF) for the taxing district in which the bona fide residence

or business address of the person that owns the vehicle is located;
(10) requires that each certificate of registration for a vehicle must include the numerical code; and
(11) Changes the adjustment for refunds or charges for a partial year of RV excise tax from 10% to 8.33% per month.

Effective Date: Upon passage; July 1, 2009.

Explanation of State Expenditures: (2) Mini-trucks. Requiring a mini-truck to be titled and registered by the Bureau of Motor Vehicles (BMV) can be handled through the current registration and titling process and will not require additional expenditures on the part of the BMV. The fund affected is the Motor Vehicle Highway Account, which supports the BMV. [In CY 2007, the BMV issued 2,000,000 titles and registered approximately 6,000,000 vehicles.]

(7) Railroad car storage will require the Department of Transportation (INDOT) to assess a fine in the amount of \$100 for failure by the railroad company to properly tag a rail car left on a siding and \$500 per day beginning after 90 days of storage. This process will have little, if any, fiscal impact on the INDOT initially, with existing resources covering initial expenses. However, the cost could become significant if there are a number of such violations. The fund affected is the state Highway Fund.

(9) Requiring vehicle registration to include the numerical code assigned by the DLGF for the taxing district will increase expenditures for the BMV. The expenditures are estimated at \$250,000. The expenditure will cover a data merge for approximately 1,980 taxing districts in the state. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

For FY 2008, the BMV reverted \$5472,547 from its main operating account. As of March 30, 2009, the BMV had 17 budgeted vacant positions, with annual salaries amounting to \$452,218.

Explanation of State Revenues: (6) The state Department of Revenue reports that specifying that farm tractors or implements of agriculture are not considered motor vehicles for purposes of the special fuel tax on dyed fuel could negatively impact revenue from the special fuel tax, depending upon the interpretation of IC 9-13-2-77, which could possibly exempt additional vehicles.

Explanation of Local Expenditures:

Explanation of Local Revenues: (5) Rail car storage. Revenue from the \$100 civil penalty and the \$500 per day fine after 90 days of storage is to be deposited into the general fund of the municipality where the rail car(s) are stored. The specific impact will depend on the number of such occurrences.

(Revised) (11) Pro Rata Adjustments in RV Excise Taxes. Under current law, RV and truck camper excise taxes are prorated when a vehicle is newly registered or sold during the registration year and when the owner's last name is changed. For new registrations, the excise tax is reduced by 10% per month for each

month since the owner's usual registration date. On the sale of a vehicle, the owner receives a refund equal to the full-year excise tax, less 10% per month for each month since the registration date. And for a change in the owner's last name, the owner receives a refund or pays additional tax equal to 10% of the full-year excise tax for each month between the old and the new registration dates.

This bill would change the 10% monthly adjustments cited above to 8.33% to reflect a 1/12 adjustment per month. If one assumes that there are the same number of new registrations as there are vehicles sold and if the excise taxes and number of months between registration dates is the same for each group, then this provision would have little impact. Likewise, there is an assumption that the number of name changes that result in an earlier registration date is similar to the number of name changes that result in a later registration date.

A similar change was made for cars, trucks, and motorcycles subject to the motor vehicle excise tax in P.L.184-2007.

State Agencies Affected: BMV; Department of Revenue; State Police; DLGF.

Local Agencies Affected: Those units in which rail cars stored.

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